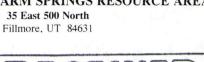


United States Department of the Interior

BUREAU OF LAND MANAGEMENT HOUSE RANGE/WARM SPRINGS RESOURCE AREA

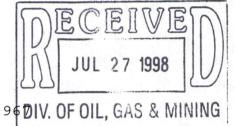




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IN REPLY REFER TO: 3800 (U-054) UTU-075879

July 21, 1998



CERTIFIED MAIL #Z 432 442 96 DIV. OF OIL, GAS & MINING RETURN RECEIPT REQUESTED

DECISION

JOHN HOLFERT UMF INC. 997 N CHAPEL DRIVE #4

:

SURFACE MANAGEMENT

43 CFR §3809

NOTICE OF NONCOMPLIANCE

BOUNTIFUL UT 84010

Notice for Failure to Submit a Plan of Operations.

July 16, 1998, this office was informed of mining activity occurring in the SW½NW½ Sec. 20, T. 11 S., R. 11 W., SLBM. It was determined that you had located a mining claim in this location February 26, 1998. In a telephone conversation on July 16, 1998, you admitted to removing some topsoil with an excavator (tracked backhoe) at this site.

A field compliance inspection was conducted on this site July 17, 1998. The inspection showed that the total disturbance, excluding access road, is approximately 60 feet by 90 feet (0.12 acres), and penetrates as much as 5 feet into the rhyolite bedrock. The access road is approximately 0.5 miles long (0.60 acres). In addition there are minor amounts of trash along the access road and in the mine area.

The Notice of Noncompliance you received which was mailed February 4, 1998, stated, "The use of mechanical equipment and explosives mandate the submission of a notice for your operation." In addition, you were given a copy of the 43 CFR 3809 regulations at the same time. As you have established a Record of Noncompliance for that Notice of Noncompliance, a Plan of Operations is now required for all activities you conduct on Public Lands that would normally require a Notice.

There is some question as to the exact date of your surface disturbing activities (before or after the establishment of your Record of Noncompliance).

Therefore you are in Noncompliance with either the first listed regulation below or the second and third listed regulations below.

1. 43 CFR 3809.1-3(a) - All operators on project areas whose operations, including access across Federal lands to the project area, cause a cumulative surface disturbance of 5 acres or less during any calendar year shall notify the authorized officer ...

or

- 2. 43 CFR 3809.3-2(e) Failure of an operator to take necessary actions on a notice of noncompliance, may constitute justification for requiring the submission of a plan of operations under §3809.1-5 of this title.
- 3. 43 CFR 3809.1-4 An approved plan of operations is required prior to commencing ...

To correct this situation, you must within 30 days of the receipt of this Notice of Noncompliance:

Commence reclamation of your operation to be completed no later than 45 days after the receipt of this Notice of Noncompliance. Reclamation shall consist of restoration of all disturbed areas to the condition they were in prior to the commencement of your surface disturbing activities.

After reclamation of the areas you disturbed, you must submit a Plan of Operations to this office as required by 43 CFR 3809.3-2(e) and 43 CFR 3809.1-4 if you plan to continue operations under the Mining Law of the United States. No Plan of Operations will be considered until compliance with this directive is confirmed.

Failure to complete the above steps will result in the establishment of a record of noncompliance. Once a record of noncompliance is established, a plan of operations must be submitted within 30 days under section 3809.1-9 for all existing and subsequent operations that would otherwise be conducted pursuant to a notice (3809.1-3). In addition, the operator or mining claimant will have 90 days to post with the Utah State Office a financial guarantee (bond) for all existing disturbances for which they are responsible. Failure to timely submit the financial guarantee will result in withdrawal of approval of all existing mining activity. Continuation of mining activity, without submission of a notice and of the required financial guarantee may result in fines, or imprisonment or both.

In accordance with 43 CFR 3809.4, you have the right of appeal to the Utah State Director, Bureau of Land Management. If you exercise this right, your appeal, accompanied by a statement of reasons and any arguments you wish to present, which would justify reversal or modification of the decision, must be filed in writing at this office within 30 days after the date of this decision. This decision will remain in effect during appeal unless a written request for a stay is granted.

The statement of reasons should contain the following information:

- 1. The name and mailing address of the appellant,
- (If applicable,) the name and serial numbers of any mining claims which are the subject to the appeal, and
- 3. A statement of reasons for the appeal and any arguments you wish to present, which would justify reversal of modification to the decision.

If you have any questions regarding this notice of noncompliance please call Ron Teseneer at 435-743-3126.

Key Kruley
Rex Rowley
Area Manager

bcc: U-931 U-050

D. Wayne Hedberg, UDOGM

Mike Sprunger, P.O. Box 38054, Leamington, UT 84638

RTeseneer:msc